

## HOUSE BILL NO. 108

INTRODUCED BY A. OLSON

A BILL FOR AN ACT ENTITLED: "AN ACT ELIMINATING THE PROHIBITION ON CORPORATE CONTRIBUTIONS AND EXPENDITURES ON BALLOT ISSUES; AMENDING SECTION 13-35-227, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

WHEREAS, in *Montana Chamber of Commerce v. Argenbright*, 226 F3d 1049 (9th Cir. 2000), the Ninth Circuit Court of Appeals held that corporate wealth has not distorted the ballot issue process in Montana and that therefore the first amendment to the United States Constitution does not permit the section 13-35-227, MCA, provision that prohibits a corporation from making a contribution or expenditure in connection with a ballot issue.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1.** Section 13-35-227, MCA, is amended to read:

**"13-35-227. Prohibited contributions from corporations.** (1) ~~(a) Except as provided in subsection (4), a~~ A corporation may not make a contribution or an expenditure in connection with a candidate, ~~a ballot issue,~~ or a political committee that supports or opposes a candidate, ~~a ballot issue,~~ or a political party.

~~(b) For purposes of this section, "corporation" refers to for-profit and nonprofit corporations.~~

(2) A person, candidate, or political committee may not accept or receive a corporate contribution described in subsection (1).

(3) This section does not prohibit the establishment or administration of a separate, segregated fund to be used for making political contributions or expenditures if the fund consists only of voluntary contributions solicited from an individual who is a shareholder, employee, or member of the corporation.

~~(4) The provisions of subsection (1) prohibiting corporate contributions to or expenditures in connection with a ballot issue do not apply to a nonprofit corporation formed for the purpose, among others, of promoting political ideas and that:~~

~~—— (a) does not engage in business activities;~~

~~—— (b) has no shareholders or other affiliated persons who have a private claim on the corporation's assets or earnings;~~

1 ~~—— (c) does not accept foreign or domestic for-profit corporations as members; and~~  
2 ~~—— (d) does not accept in the aggregate more than 5% annually of its total revenue from foreign or domestic~~  
3 ~~for-profit corporations.~~

4 ~~(5)(4)~~ A person who violates this section is subject to the civil penalty provisions of 13-37-128."

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6 **NEW SECTION. Section 2. Effective date.** [This act] is effective on passage and approval.

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